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FISCAL IMPACT REPORT

ORIGINAL DATE 01/24/07

SPONSOR Jennings LAST UPDATED _____ HB _____

SHORT TITLE Increase Certain Health Care Payments SB 123

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$600.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	\$1,487.7	\$1,400.0	Recurring	Federal

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Bill 123 appropriates \$600.0 from the general fund to the Human Services Department to increase reimbursement to physicians and certified nurse midwives for deliveries and C-sections performed under the Medicaid Program to assure access to these services and to offset the cost of professional malpractice insurance.

FISCAL IMPLICATIONS

The appropriation of \$600 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2008 shall revert to the general fund.

SIGNIFICANT ISSUES

The Human Services Department notes.

In order to maintain the increased level of payment for future years, the increase would need to be included in the Medicaid base budget request in future years.

The LFC recommendation for the General Appropriations Act includes \$13 million in physician related reimbursement increases.

MW/nt